

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1682

To authorize the Secretary of Agriculture to use stewardship contracting in a demonstration program to restore and maintain the ecological integrity and productivity of forest ecosystems to insure that the land and resources are passed to future generations in better condition than they were found.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 18, 1995

Mr. WILLIAMS introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To authorize the Secretary of Agriculture to use stewardship contracting in a demonstration program to restore and maintain the ecological integrity and productivity of forest ecosystems to insure that the land and resources are passed to future generations in better condition than they were found.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Forest Ecosystem  
3 Stewardship Demonstration Act of 1995”.

4 **SEC. 2. FINDINGS, PURPOSES, AND DEFINITIONS.**

5 (a) FINDINGS.—Congress makes the following find-  
6 ing:

7 (1) In many of the units of the National Forest  
8 System, current conditions—such as unnatural fuel  
9 loads, high tree density, threat of catastrophic fires,  
10 disease, and insect infestations, habitat loss, and  
11 loss of historic species, stand diversity and integ-  
12 rity—adversely affect the biodiversity, health, and  
13 sustainability of the forest ecosystems of such units.

14 (2) A new and innovative contracting process  
15 for the National Forest System is required to meet  
16 Federal goals of improving forest resource conditions  
17 through implementation of ecosystem management.

18 (3) Ecosystem management is not just a bio-  
19 logical concept. It is the convergence of a set of ac-  
20 tivities that is simultaneously ecologically sound, eco-  
21 nomically viable, and socially responsible.

22 (4) The improvement of the health and natural  
23 functioning of the forest resource is vital to the long-  
24 term viability of species found on National Forest  
25 System lands.

1           (5) Ecosystem restoration and conservation  
2       work performed with revenues from forest activities  
3       would improve employment opportunities in commu-  
4       nities near units of the National Forest System to  
5       the benefit of long-term economic sustainability and  
6       community viability.

7       (b) PURPOSES.—The purposes of this Act are as  
8       follows:

9           (1) To improve and restore the health of forest  
10      resources through implementation of ecosystem man-  
11      agement.

12          (2) To provide for employment opportunities  
13      and economic health and viability for rural commu-  
14      nities near units of the National Forest System.

15          (3) To provide for flexibility in procurement  
16      and funding practices to enter into stewardship con-  
17      tracts to achieve management objectives and require-  
18      ments prescribed in the following provisions of law:

19            (A) The Act of June 4, 1897 (commonly  
20      known as the Organic Administration Act; 16  
21      U.S.C. 473–475, 477–482, 551).

22            (B) The Multiple-Use Sustained Yield Act  
23      of 1960 (16 U.S.C. 528–531).

24            (C) The Forest and Rangeland Renewable  
25      Resources Act of 1974 (16 U.S.C. 1600–1614).

1 (D) Section 14 of the National Forest  
2 Management Act of 1976 (16 U.S.C. 472a).

3 (E) The Act of May 23, 1908, and section  
4 13 of the Act of March 1, 1911 (16 U.S.C.  
5 500).

6 (F) The Federal Grants and Agreements  
7 Act of 1977 (31 U.S.C. 6303–6308).

8 (G) National Forest Fund Act of March 4,  
9 1907 (16 U.S.C. 499).

10 (c) DEFINITIONS.—For purposes of this Act:

11 (1) ACCOUNT.—The term “Account” means the  
12 Stewardship Account established under section 4.

13 (2) DESIGN SPECIFICATION CONTRACT.—The  
14 term “design specification contract” is used to de-  
15 scribe contracts in which the contracting entity spe-  
16 cifically identifies all the tasks to be performed, and  
17 the contractor performs per the designed specifica-  
18 tions.

19 (3) FOREST STEWARDSHIP COUNCIL.—The  
20 term “Forest Stewardship Council” means any one  
21 of the local councils established under section 3(f) of  
22 this Act to, in cooperation with resource managers:  
23 prioritize and select stewardship projects, set oper-  
24 ational goals in the context of current national forest  
25 management policies and local forest plans, evaluate

1 contractor performance and accomplishments, rec-  
2 ommend progress payments for work successfully  
3 completed by contractors, and make recommenda-  
4 tions for the improvement of the stewardship con-  
5 tract process.

6 (4) PERFORMANCE SPECIFICATION CON-  
7 TRACT.—The term “performance specification con-  
8 tract” is used to describe contracts in which the con-  
9 tracting entity identifies the parameters of the  
10 project, and the contractor identifies the method to  
11 accomplish the work.

12 (5) RESOURCE ACTIVITIES.—The term “re-  
13 source activities” includes area access, site prepara-  
14 tion, replanting, fish and wildlife habitat restoration  
15 or enhancement, silvicultural treatments, watershed  
16 improvement, fuel treatments (including prescribed  
17 burning), and road closure or obliteration.

18 (6) RESOURCE MANAGER.—The term “resource  
19 manager” refers to the line officer responsible for  
20 management decisions associated with project imple-  
21 mentation on a national forest.

22 (7) ROADSIDE SALE.—The term “roadside  
23 sale” refers to the sale by the Forest Service to the  
24 highest bidder(s) of all contract-designated products  
25 of the forest removed as part of the management ac-

1       tivities conducted under a stewardship contract.  
2       (Non-designated products may be assigned to the  
3       contractor for salvage.) A roadside sale is a com-  
4       pletely separate transaction from the awarding of  
5       the stewardship contract itself.

6               (8) SECRETARY.—The term “Secretary” means  
7       the Secretary of Agriculture.

8               (9) STATEMENT OF WORK CONTRACT.—The  
9       term “statement of work contract” is used to de-  
10      scribe contracts in which the contracting entity gives  
11      a general overview of the project, and the bidding  
12      contractor provides the specifics on how he/she envi-  
13      sions the project and the end result he/she would ob-  
14      tain using his/her particular approach to land stew-  
15      ardship.

16              (10) STEWARDSHIP CONTRACT.—The term  
17      “stewardship contract” means a contract for carry-  
18      ing out resource activities for the improvement and  
19      restoration of forest ecosystems of units of the Na-  
20      tional Forest System and to encourage or enhance  
21      the economic sustainability and the viability of rural  
22      and regional communities. A stewardship contract  
23      could use a design specification format (definition 2,  
24      above), a performance specification format (defini-

1       tion 4, above), a statement of work format (defini-  
2       tion 9, above), or some combination thereof.

3   **SEC. 3. USE OF STEWARDSHIP CONTRACTS.**

4       (a) USE AUTHORIZED.—The Secretary shall estab-  
5   lish and implement in the Forest Service a demonstration  
6   program through which forest- and/or district-level re-  
7   source managers use stewardship contracts to carry out  
8   resource activities in a comprehensive manner to restore  
9   and preserve the ecological integrity and productivity of  
10  forest ecosystems within the National Forest System and  
11  to encourage or enhance the economic sustainability and  
12  the viability of nearby rural communities. The resource ac-  
13  tivities undertaken should be consistent with the precepts  
14  of ecosystem management and with the forest’s manage-  
15  ment plan for achieving the desired future conditions of  
16  the area being treated.

17       (b) USE LIMITED.—Within the limits of available fi-  
18  nancial resources, each forest within the National Forest  
19  System may use stewardship contracts to carry out eco-  
20  system management projects, if those contracts:

21           (1) Provide for payment to the contractor based  
22       on the number of acres satisfactorily treated in ac-  
23       cordance with an approved plan to create a desired  
24       future condition on the land.

1           (2) Are used for projects where the harvest of  
2           timber is secondary to creating specific resource con-  
3           ditions (e.g., wildlife habitat enhancement, water-  
4           shed improvement, insect and disease control).

5           (3) Are not used for projects involving the con-  
6           struction of new permanent roads or entries into  
7           roadless areas.

8           (4) Will result in the removal of no more than  
9           300,000 board feet of merchantable timber per  
10          project.

11          (5) Provide for the roadside sale of all contract-  
12          designated merchantable timber which is extracted.

13          (6) Are awarded competitively to qualified con-  
14          tractors with no more than 25 employees.

15          (7) Include stewardship skill and experience  
16          qualification requirements which have been estab-  
17          lished by the local Forest Stewardship Council and  
18          approved by the Forest Service.

19          (8) Are monitored not only by the Forest Serv-  
20          ice, but also by the local Forest Stewardship Coun-  
21          cil.

22          (9) Provide for periodic progress payments to  
23          contractors based on successful completion of con-  
24          tract activities on a per acre basis. The acceptability  
25          of the contractor's work shall be determined by the



1 Forest Service, taking into account the recommenda-  
2 tion of the local Forest Stewardship Council.

3 (c) DEMONSTRATION RESEARCH OBJECTIVES.—The  
4 Secretary shall insure that in the carrying out of the provi-  
5 sions of this Act enough flexibility is provided to resource  
6 managers to enable them to test various approaches to  
7 solving questions left unresolved in previous demonstra-  
8 tions of stewardship and end results contracts authorized  
9 in fiscal year 1991 and 1992 through the Department of  
10 the Interior and Related Appropriation Acts. These ques-  
11 tions include, but are not limited to:

12 (1) The need for the bonding of stewardship  
13 contractors and/or possible alternatives which could  
14 reduce the financial burden on small businesses.

15 (2) Preferred methods of marketing timber or  
16 other products of the forest removed as a result of  
17 stewardship contract activities.

18 (3) The standards to be used in evaluating the  
19 quality and acceptability of the work performed by  
20 a stewardship contractor.

21 (4) The desirability of multi-year contracts for  
22 stewardship projects.

23 (5) The relative merits of using design speci-  
24 fications, performance specifications, or statements

1 of work in offering, awarding, and evaluating stew-  
2 ardship contracts.

3 (6) The costs, benefits, problems, and opportu-  
4 nities resulting from increased community involve-  
5 ment in the design and monitoring of stewardship  
6 contracts.

7 (7) The benefits and problems resulting from  
8 restricting stewardship contracts to very small (no  
9 more than 25 employees) contractors.

10 (8) The extent to which local economic sustain-  
11 ability and rural community viability are affected by  
12 the use of stewardship contracts.

13 (9) The difference between estimated and ac-  
14 tual revenues derived from roadside sales of timber.

15 (10) The level of utilization of timber and other  
16 products of the forest derived from stewardship con-  
17 tract projects as compared with conventional timber  
18 sales.

19 (11) The extent to which stewardship contract-  
20 ing contributes to the achievement of forest eco-  
21 system management plans.

22 (12) The extent to which the revenues from  
23 stewardship contracts cover the cost of such con-  
24 tracts or are offset by the costs which could reason-  
25 ably be expected to result if the contracts are not

1 carried out (e.g., fire suppression costs in areas with  
2 heavy fuel loads).

3 (13) The administrative costs or savings in-  
4 volved in the use of stewardship contracts.

5 (14) The benefits and/or disadvantages of using  
6 local Forest Stewardship Councils as part of the  
7 stewardship contracting process.

8 (15) The benefits and/or disadvantages of var-  
9 ious methods of selecting members, organizing, ad-  
10 ministering, and conducting the business of local  
11 Forest Stewardship Councils.

12 (d) DEVELOPMENT AND USE OF CONTRACTS.—Each  
13 resource manager of a unit of the National Forest System  
14 may enter into stewardship contracts with qualified non-  
15 Federal entities (as established in regulations relating to  
16 procurement by the Federal Government or as determined  
17 by the Secretary.) The local Forest Stewardship Council,  
18 in cooperation with the Forest Service resource manager,  
19 shall select the type of stewardship contract that is most  
20 suitable to local conditions. Contracts should clearly de-  
21 scribe the desired future condition for each resource man-  
22 aged under the contract and the evaluation criteria to be  
23 used to determine acceptable performance. The length of  
24 a stewardship contract shall be consistent with the re-

1 requirements of section 14 of the National Forest Manage-  
2 ment Act of 1976 (16 U.S.C. 472a).

3       (e) SELECTION OF AREAS FOR CONTRACTS.—In se-  
4 lecting areas within units of the National Forest System  
5 to be subject to stewardship contracts, the Secretary, re-  
6 source managers, and local Forest Stewardship Councils  
7 shall base the selection on the need to improve forest  
8 health, maintain and improve soil and water quality, and  
9 improve fisheries and wildlife habitat. Priorities for activi-  
10 ties within individual units will be established by local re-  
11 source managers, in consultation with the appropriate  
12 local Forest Stewardship Council.

13       (f) ESTABLISHMENT OF LOCAL FOREST STEWARD-  
14 SHIP COUNCILS.—Local Forest Stewardship Councils  
15 shall be established for each unit of the National Forest  
16 System which offers stewardship contracts. The role of a  
17 Forest Stewardship Council will be to, in cooperation with  
18 the resource managers, prioritize and select stewardship  
19 projects, set operational goals in the context of current  
20 national forest management policies and local forest plans,  
21 evaluate contractor performance and accomplishments,  
22 recommend progress payments for work successfully com-  
23 pleted by contractors, and make recommendations for the  
24 improvement of the stewardship contract process. Each  
25 participating National Forest System unit shall establish,

1 after soliciting the comments of local citizens, the size of  
2 the local council, the method of selection or election of  
3 council members, the terms of service of members, and  
4 the council administrative budget, if any. At least 51 per-  
5 cent of members of any Forest Stewardship Council shall  
6 be drawn from the private sector, in a manner which in-  
7 sures representation of a broad range of public interests.  
8 The functioning of the Forest Stewardship Councils must  
9 assure a continuing and open process and must in no way  
10 interfere with the broad public involvement in Federal re-  
11 source management decision making required under the  
12 National Environmental Policy Act of 1976.

13 (g) APPLICATION OF CONTRACTS.—Subject to sub-  
14 section (h), the revenue received from the sale of timber  
15 or any other products of the forest resulting to the Federal  
16 Government as a result of work carried out under a stew-  
17 ardship contract shall be deposited into a Stewardship Ac-  
18 count as established in section 4(a).

19 (h) EFFECT ON OTHER REVENUE REQUIRE-  
20 MENTS.—Twenty-five percent of the revenues received  
21 from roadside sale of products extracted through steward-  
22 ship contract activities shall remain available for payments  
23 to States, as required under the Act of May 23, 1908,  
24 and section 13 of the Act of March 1, 1991 (16 U.S.C.  
25 500). The Secretary shall first collect revenues to make

1 such payments before exercising the authority provided in  
2 subsection g.

3 **SEC. 4. STEWARDSHIP CONTRACT RECEIPTS AND EXPENDI-**  
4 **TURES.**

5 (a) RECEIPTS.—Monetary receipts received as pay-  
6 ment for contract-designated timber and other products  
7 of the forest extracted through stewardship contract ac-  
8 tivities shall be deposited in a designated fund to be known  
9 as the “Stewardship Account”. Amounts in the Account  
10 shall be used to make payments to States under the Act  
11 of May 23, 1908, and section 13 of the Act of March 1,  
12 1911 (16 U.S.C. 500), and to fund resource activities.  
13 Amounts in the Account are hereby appropriated and shall  
14 be available to the Secretary until expended, except that  
15 those amounts found by the Secretary to be in excess of  
16 the needs of the Secretary shall be transferred to mis-  
17 cellaneous receipts in the Treasury of the United States.  
18 Any additional revenues made available through direct ap-  
19 propriations to the Forest Service for stewardship con-  
20 tracting and ecosystem management purposes also shall  
21 be deposited in the Account.

22 (b) EXPENDITURES.—Not less than 80 percent of  
23 amounts in the Account available for resource activities  
24 shall be used for the direct costs of such resource activi-  
25 ties. The revenues received from sales of contract-des-

1 ignated products resulting from stewardship contracts  
2 shall be returned to the national forest from which they  
3 were generated, to be used to fund additional stewardship  
4 contracts. To the extent that additional revenues are re-  
5 ceived in the Account from direct appropriations by the  
6 Congress of funds for stewardship contract activities, such  
7 funds shall be made available to those forest units using  
8 stewardship contracts through a process to be developed  
9 by the Secretary.

10 (c) REPORTING.—As part of the annual report of the  
11 Secretary to Congress, the Secretary shall include an ac-  
12 counting of revenues, expenditures, and accomplishments  
13 related to the stewardship contracts.

14 **SEC. 5. RELATION TO OTHER LAWS.**

15 All stewardship contracts shall comply with existing  
16 applicable laws, and nothing in this Act may be construed  
17 as modifying the provisions of any other law except as ex-  
18 plicitly provided in this Act.

19 **SEC. 6. EFFECTIVE DATE.**

20 This Act shall be effective upon passage.

21 **SEC. 7. TERMINATION DATE.**

22 Unless extended by a subsequent act of the Congress,  
23 this Act shall terminate five years from its effective date.

